

Wednesday, October 21, 2020

To: New York Community Banks

Good morning. I hope you and your families are safe and well.

I wanted to share with you this item in the news today: Governor Cuomo has extended the eviction moratorium for commercial tenants through Jan. 1, aligning the extension deadline with the protections for residential tenants and homeowners. The measure extends protections already in place for commercial tenants and mortgagors in recognition of the financial toll the pandemic has taken on business owners, including retail establishments and restaurants. For details and information: <https://www.governor.ny.gov/news/governor-cuomo-signs-executive-order-extending-moratorium-covid-related-commercial-evictions-0>

-- John

## FROM ICBA

### **FDIC responds to ICBA push on asset thresholds**

The FDIC issued an ICBA-advocated interim rule adjusting regulatory asset thresholds for community banks to mitigate costs from their sizable Paycheck Protection Program lending. The [interim final rule](#) allows community banks to use their 2019 asset sizes for 2021 auditing and reporting requirements under Part 363. It will help up to 290 community banks avoid new regulatory costs caused by PPP lending—including 156 that have crossed the \$500 million asset threshold, 107 at \$1 billion, and 27 at \$3 billion. As ICBA said in letters to Congress and federal regulators since August, the surge of PPP loans has swelled the balance sheets of community banks, inadvertently subjecting them to additional supervision, regulations, and costs. "ICBA and community bankers commend the FDIC for quickly responding to our calls to adjust regulatory asset thresholds for community banks," ICBA President and CEO Rebeca Romero Rainey said in a statement.

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### **Grassroots continues ahead of Senate PPP vote**

With the Senate scheduled to vote today on a stimulus package that includes ICBA-advocated PPP forgiveness simplification, ICBA is calling on [community bankers](#) and their [small-business contacts](#) to weigh in on key PPP issues. While the stimulus bill is not expected to pass, ICBA encourages community bankers to direct borrowers to ICBA's [small-business alert](#) addressing the deduction of Economic Injury Disaster Loan advances from PPP loan forgiveness. A separate alert on ICBA's Be Heard grassroots action center is available for [community bankers](#). While borrowers may receive up to a \$10,000 EIDL advance, those funds will be deducted from PPP loan forgiveness. This has left some borrowers with a substantial unforgiven balance that must be repaid and community banks with loans on their books that they didn't make. Meanwhile, ICBA continues calling on [community bankers](#) and [small-business owners](#) to urge Congress to immediately pass bipartisan legislation to simplify PPP forgiveness.

### **PPP webinar available for download**

Community bankers can download a recording of yesterday's complimentary ICBA webinar on the PPP and other key issues. During the [webinar](#), ICBA staff experts discuss streamlined PPP forgiveness procedures, ICBA advocacy on EIDL advances, and more. ICBA separately [released a summary](#) of recent PPP guidance on simplified forgiveness processes, EIDL guidance, and an extended deferral period for borrower payments. [Download the webinar.](#)

### **Raise PPP profile by promoting video series**

ICBA continues urging community bankers to retweet and share on social media its ongoing series of videos featuring small-business owners who received Paycheck Protection Program loans from

community banks. The videos are available on ICBA's updated [banklocally.org](http://banklocally.org), which encourages small businesses and consumers to bank with a community bank and helps them find one locally with ICBA's Community Bank Locator. ICBA is featuring the videos on its social media channels with the #BankLocally hashtag and encourages community banks and small businesses to submit their own positive stories to [banklocally.org](http://banklocally.org).

### FROM OTHER SOURCES

A self-imposed deadline for a coronavirus relief deal came and went yesterday, but Pelosi insisted she and Treasury Secretary Mnuchin are making real progress on a massive stimulus package, and the two sides have decided to keep talking. <https://politi.co/3jpg1wl>.

Senate Majority Leader McConnell has advised the White House against striking a deal that most Republicans cannot support, the [Times reports](#). McConnell has only committed to putting a Trump-backed relief bill on the floor "at some point," but did not specify when, [per WaPo's Jeff Stein and Erica Werner](#). The Senate today is expected to consider a \$500 billion stimulus package, which is expected to fail, and yesterday, Senate Republicans held a procedural vote on an amendment related to the Paycheck Protection Program, in an attempt to pressure Democrats.

Fed Vice Chair for Supervision Quarles, speaking as head of the Financial Stability Board, said the market turmoil caused by the pandemic shows that the nonbank financial sector is "significantly more fragile" than the banking sector. Quarles didn't make any policy recommendations but said that the FSB is examining the issue and would be making suggestions soon. ([Reuters](#))

### FROM NEW YORK

New York governments and authorities are projecting \$59 billion of revenue shortfalls through 2022 because of the continuing coronavirus crisis, one of the deepest funding holes of any state, [The Wall Street Journal reports](#).

More than 500,000 New York City residents – one in seven – are still unemployed six months into the coronavirus pandemic and the jobless rate is 10 percentage points higher than in September of 2019, [the New York Post reports](#).

New York's Unemployment Picture Continues to Vary. If you think of the map of New York as a funnel:

- On the edges are parts of Upstate New York like Albany and Ithaca where unemployment is high, but at a relatively lower level than New York City.
- [And New York City would be the funnel's mouth:](#) A 13.9% joblessness rate that's higher than the statewide 9.7% average in September, according to regional labor statistics released on Tuesday.
- New York's jobless rate fell from 12.5% in August to 9.7%, the first time it has dipped below double digits since the worst of the coronavirus pandemic and when shutdown orders closed schools and non-essential businesses.
- The areas outside of New York City have unemployment rates below 8%, including Albany at 5.4% and Buffalo at 6.7%. Rochester and Syracuse both hold unemployment rates of 6.1%. [Read More](#)

The governors of New York, Connecticut and New Jersey, in a joint statement issued Tuesday evening, clarified the latest travel rules, strongly discouraging non-essential trips between the three states as coronavirus cases are on the rise but conceding that quarantining for two weeks was impractical. [Read More](#)

New York reported 25,672 total statewide deaths of New Yorkers who tested positive for COVID-19. There were 12 more fatalities in New York yesterday. For more numbers, including the latest statewide and borough-by-borough statistics, [click here](#).

Rates of infection are rising nationwide and leading to new shutdowns abroad. While New York is [doing better](#) than the vast majority of states, there are [still signs](#) its fortunes could change.

A majority of New Yorkers – 67% of those polled – believe Cuomo is doing a good job handling the ongoing coronavirus pandemic, according to an exclusive Spectrum Networks/Ipsos poll released Wednesday, [State of Politics reports](#).

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**IBANYS will continue to provide updates as additional information becomes available. Thank you all for your continued participation and support.**

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